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Smart Specialisation and the S3 Platform – What is there for the EaP Countries



www.ec.europa.eu/jrc



Dr. Ales Gnamus
Smart Specialisation Platform
Yerevan, 25-26 October 2016





R&I Strategies for Smart Specialisation (RIS3) = **Economic Transformation Agendas**

aiming at using inspired R&I for producing competitive economic return and lasting welfare for the society!

NOT ONLY FOR THE BEST! Innovation is multi-dimensional & includes basic inventions or development of applications → at minimum RIS3 transform less-advanced regions into good followers! Regions need to seek the concentration of resources around the original / unique area of knowledge expertise!

Source: D.Foray 12/2011

RIS3 towards novelties...

Building on the past (RIS)...

- *Widespread experience of national/regional innovation strategies in the framework of the EU research & innovation + cohesion policies*
- *Achieved greater co-operation among private and public stakeholders and better communication between technology providers and clients*

*but also...**Breaking from the past!***

- *Lack of international and trans-regional perspective*
- *Not in tune with the industrial and economic fabric of the region*
- *A narrow vision of innovation (only high tech!)*
- *Picking the winner syndrome*
- *Just copying the best performing regions (Silicon Valley)*

What is **Smart Specialisation?**

S3 the policy concept

- Promotes **inclusive and sustainable growth**
- **Place-based policy:**
 - Valorises existing assets and local specificities
 - Mobilises local economic players as the main actors of economic change
- Based on a bottom-up transparent **selection of economic activities** with high transformative potential for the economy

RIS3 the strategy

- National or regional **agenda for economic transformation**
- **Coordinate financial and entrepreneurial resources** to support the selected economic activities
- Define **governance and monitoring mechanisms**



Main Design Principles for RIS3

- 1. ANALYSIS:** discovery of the socio-economic and innovation engines of regional growth, competitive advantages & weaknesses
- 2. MAKE CHOICES:** identify a limited set of priorities for development where to concentrate investment
- 3. STAKEHOLDER INVOLVEMENT:** setting priorities should be an inclusive and interactive process centred on *entrepreneurial discovery*
- 4. BROAD VIEW OF INNOVATION:** support technological as well as practice-based and social innovation
- 5. MONITORING AND EVALUATION:** feeding back information into the policy cycle and allowing strategy revision



RIS3 Guide of the European Commission

With contributions of D. Foray, P. McCann, J. Goddard, K. Morgan, C. Nauwelaers

Available on the **S3 Platform webpage**
<http://s3platform.jrc.ec.europa.eu>

Centrality of Entrepreneurial Discovery Process

Priority-Identification Process:

- 1. Entrepreneurial actors in a broad sense:** all actors potentially holding some type of entrepreneurial knowledge, from businesses to research institutions and the public administration
- 2. Interactive process where *different* actors can meet:** become aware of potential for synergies and complementarities, or explore experimental ideas
- 3. Shielded environment where actors can disclose information:** both virtual and physical space
- 4. Non-hierarchical process:** stakeholders in this process stand on the same foot as the administration

from the S3 Platform experience...



Public authority will prioritise those activities that:

- (i) Have critical mass of entrepreneurial resources and capabilities
- (ii) Show commitment of stakeholders / entrepreneurs
- (iii) Are suitable to realize the strategic goals/meet the needs and challenges of the local economy and society

Participatory process w/ Continuous Stakeholders' Engagement Quadruple Helix



Business

- Manufacturing and services
- Primary sectors
- Financial sector
- Creative industries
- Enterprises (large and SMEs)
- Clusters and organisations



Public administration

- Different government levels
- Energy and innovation agencies
- Regional development agencies
- Business advice offices
- Public procurement departments
- Public incubators

Entrepreneurial discovery.

The process of systematically scanning for technological, political and regulatory, social, and demographic changes to discover opportunities to produce new good and services

Entrepreneurial in composition & spirit:
risk-taking, broader view
beyond boundaries ...

Research and education



- Public and private research bodies
- Universities
- Education and training
- VET centres
- Science and technology parks
- Technology transfer offices

Civil society/ Users



- Non-Governmental Organisations
- Citizens' initiatives
- Societal challenges
- Cooperative innovative solutions
- Consumers associations
- Talents

Key steps for developing RIS3

Step 1 – Analysis of regional/national context & potential

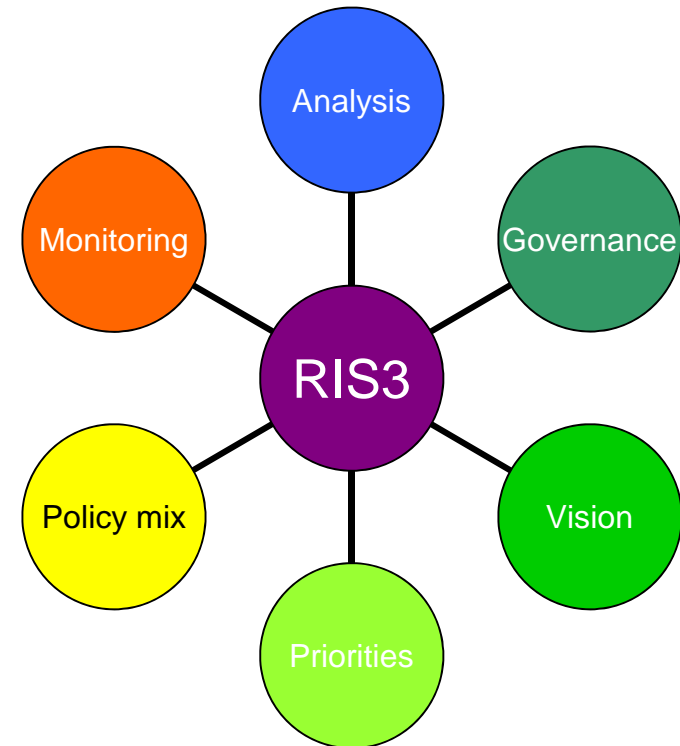
Step 2 – Governance

Step 3 – Vision for the future

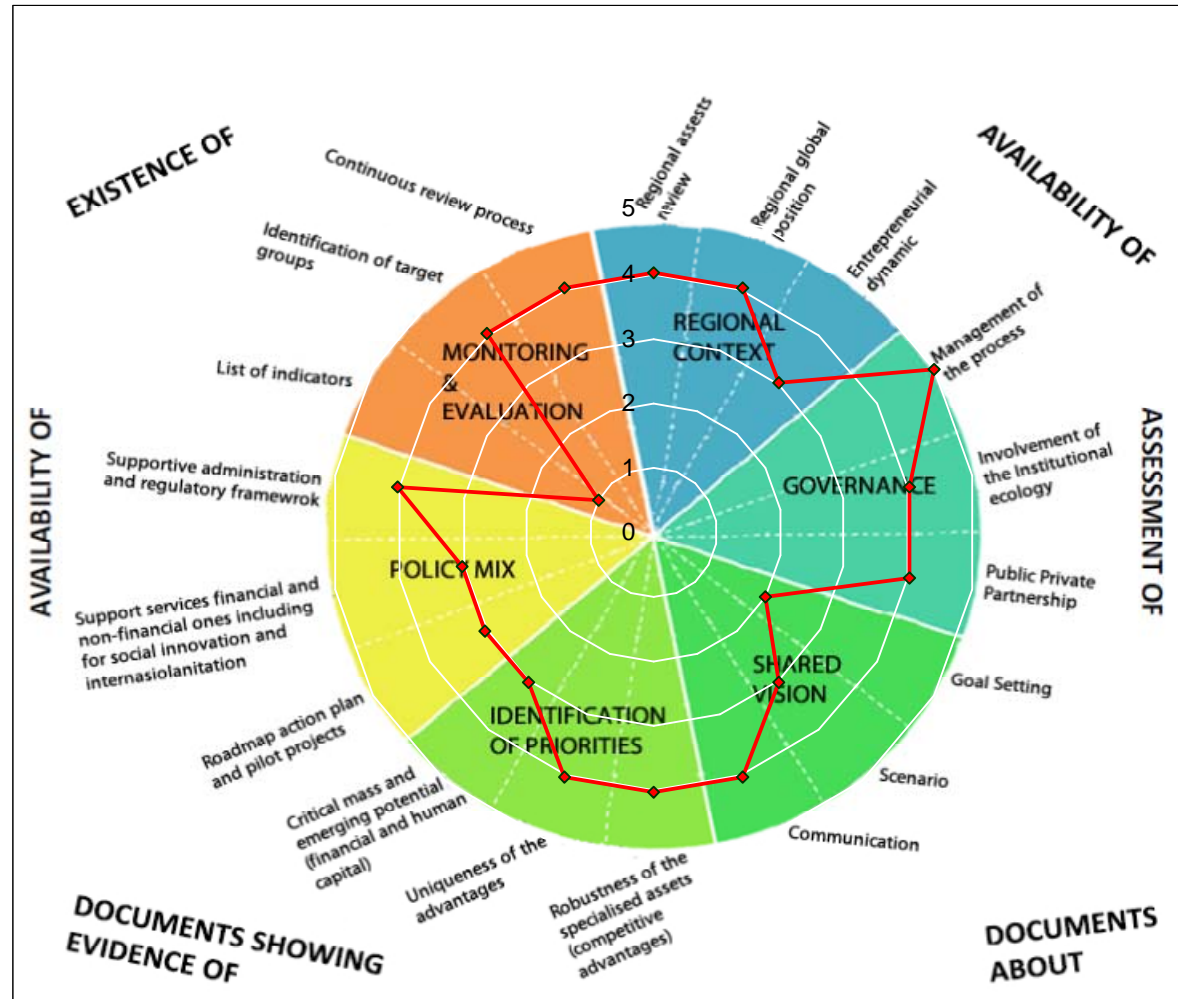
Step 4 – Identification of priorities

Step 5 – Policy mix

Step 6 – Monitoring & evaluation



RIS3 Design vs. RIS3 Assessment



Smart Specialisation Platform



Created in 2011 to provide **science-based** professional advice to EU national and regional policy-makers for the establishment and implementation of their Research & Innovation Strategies for Smart Specialisation (**RIS3**), make **better use** of the European Structural and Investment Funds (ESIF) and thus **contribute to the Europe 2020** goals.

A privileged perspective to bridge the communities:

Outside the Commission - Support to countries / regions developing and implementing their RIS3 and to their "triple/quadruple helix" partnerships

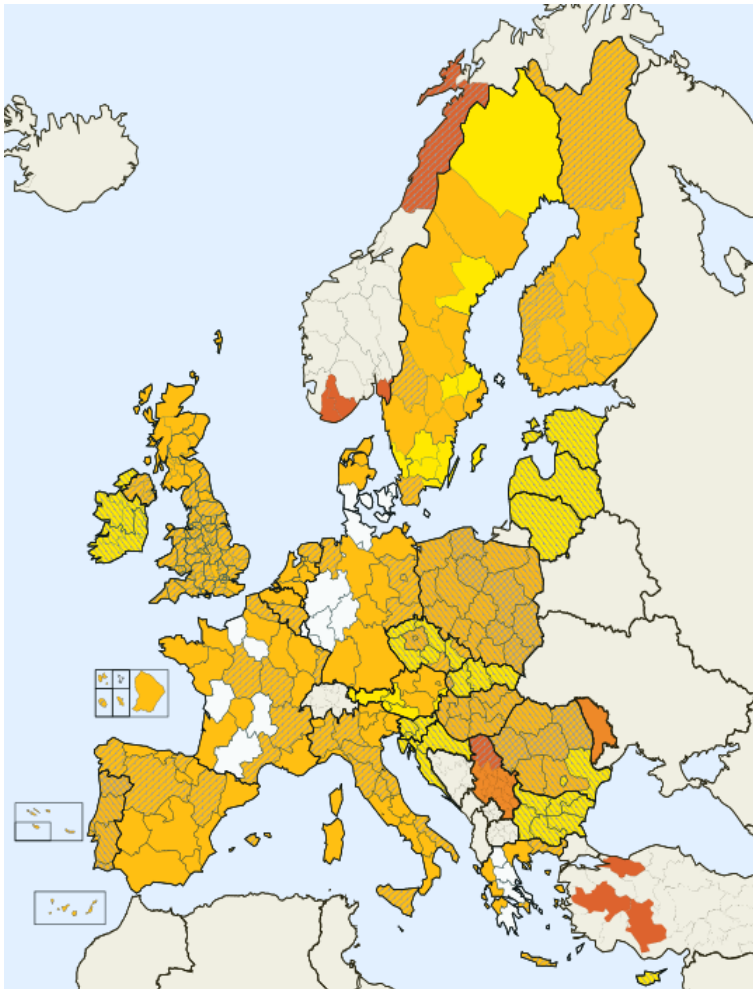
Inside the Commission - Support to DG REGIO and other policy DGs

In the scientific community - Contribution to the conceptual and methodological debate around smart specialisation

Smart Specialisation Platform



Key Data:



Wide membership: 178 regions + 20 countries

- Open to the Non-EU regions)/countries (8 Non-EU regions and 2 Non-EU countries registered so far!) – **EaP countries invited!**

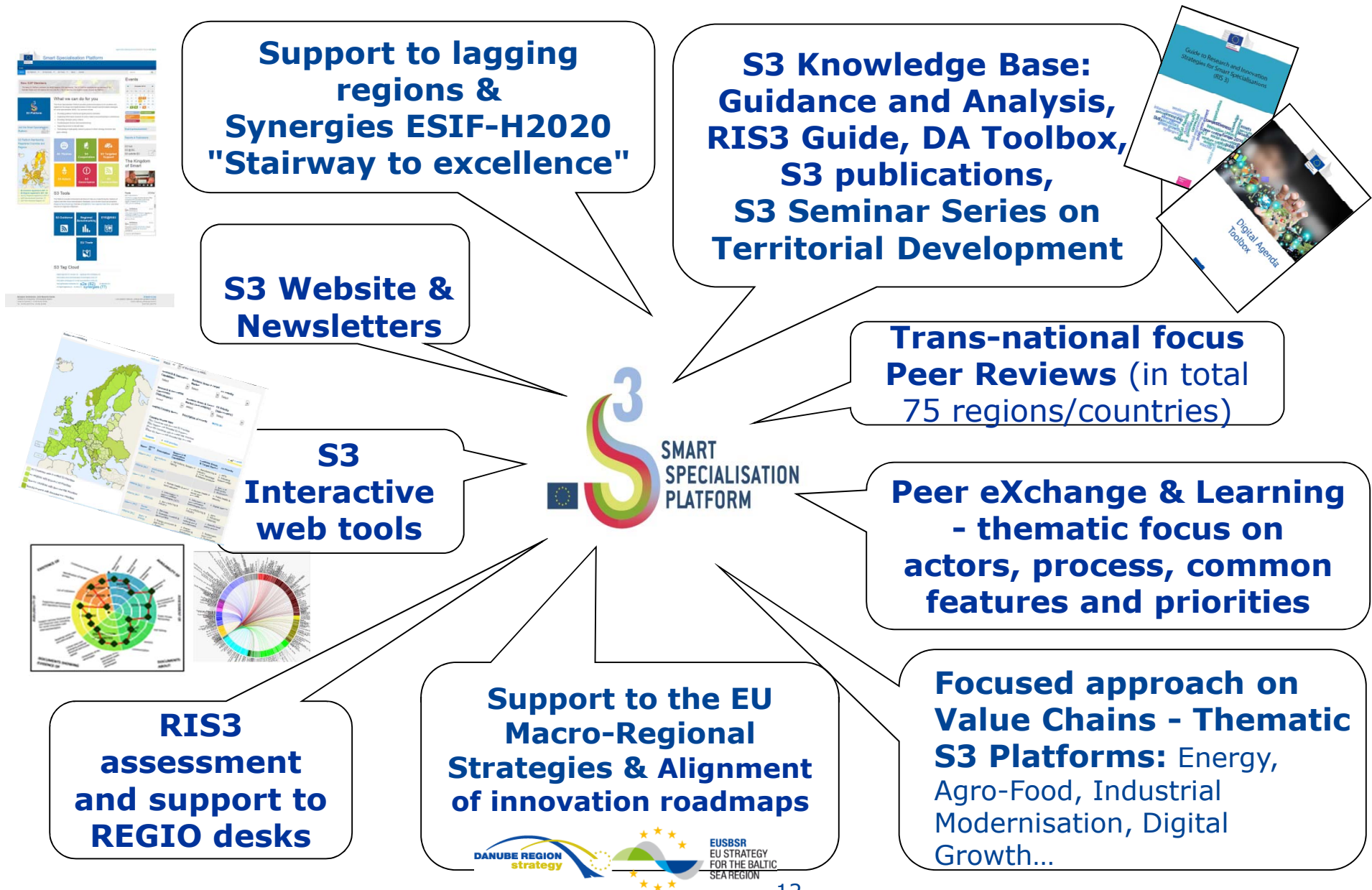
Strong endorsement by national/regional policy makers: average 4.5/5 **satisfaction rankings** (86% rankings at least 4/5; 100% at least 3/5)

High “**loyalty rate**”: > 50% of regions attending workshops come back

Strong **political endorsement** at EU level:

EC (Hahn, Cretu), **EP** (Winkler, Buzek, Van Nistelrooij), **Council** (Van Rompuy, Tusk), **CoR** (Markkula)

Main activities of the S3 Platform



S3 Linking Public Admin.& Businesses at the EU level



REGIO, JRC & Lead policy DGs

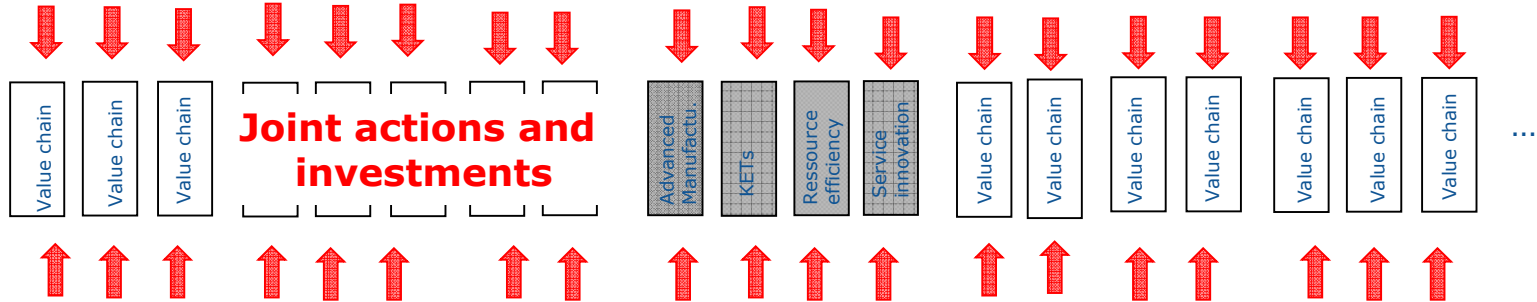
S3 Strategic Developments - EU

Regional authorities

Thematic Smart Specialisation Platforms

Energy Agro-Food Industrial Modernisation Digital Growth +Health +Circular Economy etc.

Business

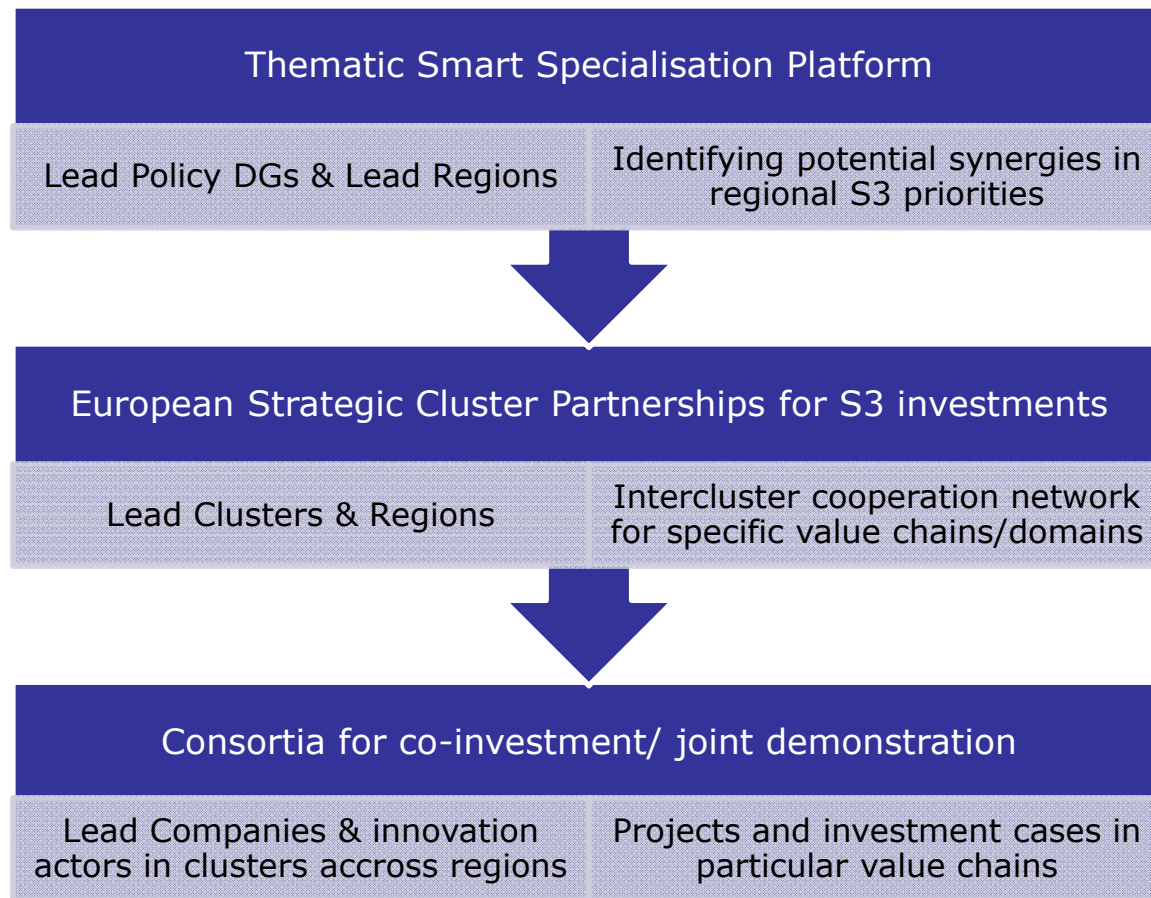


Cluster organisations

European Strategic Cluster Partnerships for Smart Specialisation Investment



Three steps of the 'Entrepreneurial Discovery Process' at the EU-level



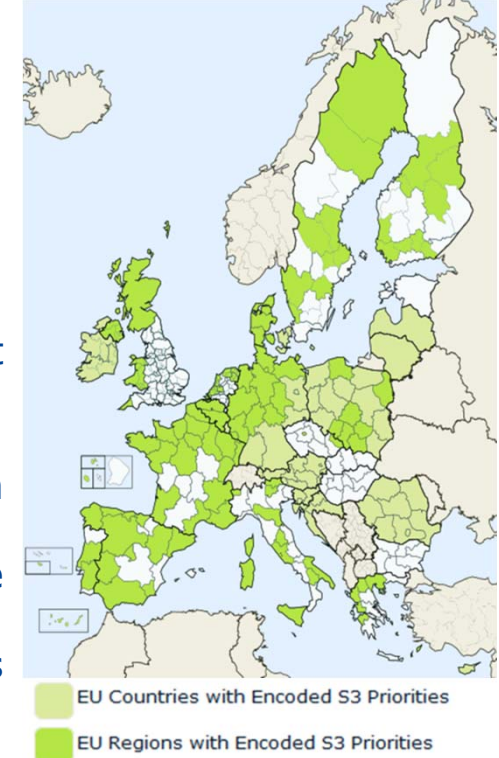
Specific S3 Thematic Activities

1) Smart Specialisation Platform on Energy (S3P-Energy)



What? The S3P-Energy is designed to deliver change by:

- **Improving trans-regional learning**
- **Enhancing policy coordination among existing resources:** at national, regional and local levels.
- **Improving cross-policy coordination:** Linking the innovation and energy 'worlds'.
 - *Funding:* support the optimal and effective uptake of the Cohesion Policy Funds for energy.
 - *S3:* Help implementation of smart specialisation priorities related to energy



Why? Energy is among the most popular priorities selected in smart specialisation strategies across Europe, **with over 2/3 of all EU territory choosing at least one energy-related priority.**

S3P-Energy integrates and profits from JRC's multidisciplinary competences in energy!



Specific S3 Thematic Activities

2) Smart specialisation in the context of Global value chains (GVC)

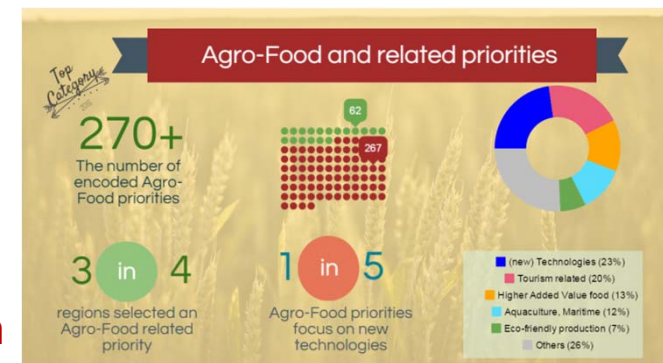
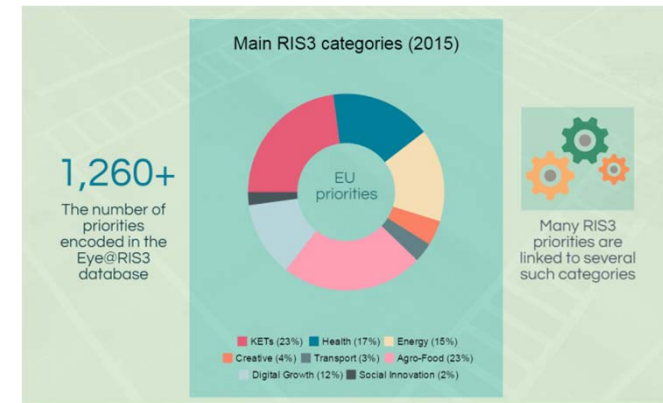
The GVC aims at assisting regions/MS in their efforts to facilitate the development of **new value chains through the interconnection of regional/national eco-systems** and their actors in quadruple helix in specific S3 investment areas.

Why? S3 is an engine for the development of European eco-systems that are necessary to gather critical mass for the global market breakthroughs.

How? Thematic S3 Platform provides **a multi-level support mechanism, combining efforts at regional, national and European level**, addressing in particular market and system failures that prevent breakthroughs, starting with information and coordination failures.
The development of interregional collaboration is driven by opening-up regional smart specialisation strategies.

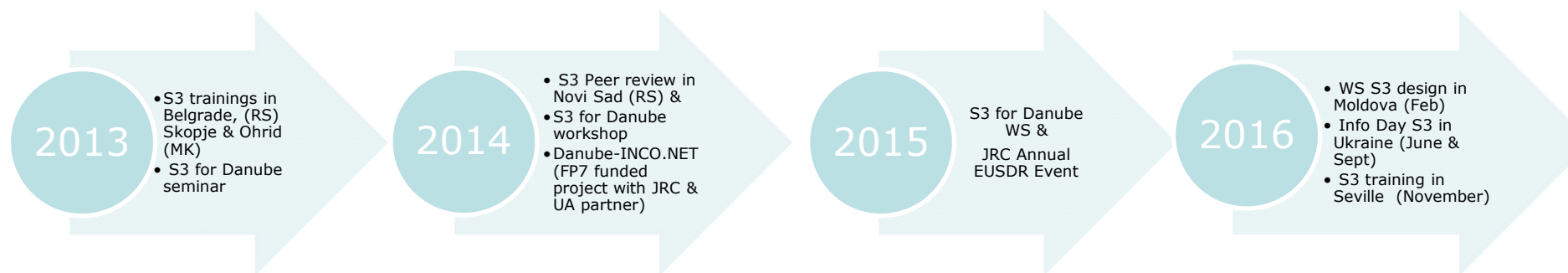


Thematic S3 Platform on Agro-Food & Thematic S3 Platform on Industrial Modernisation



S3 Platform supporting Smart Specialisation (S3) Activities related to the Enlargement/Neighbourhood Countries

S3 Platform through 'Smartly Specialised Danube' has been supporting transnational collaboration and mutual learning approach in the enlargement and neighbourhood countries since early 2013.



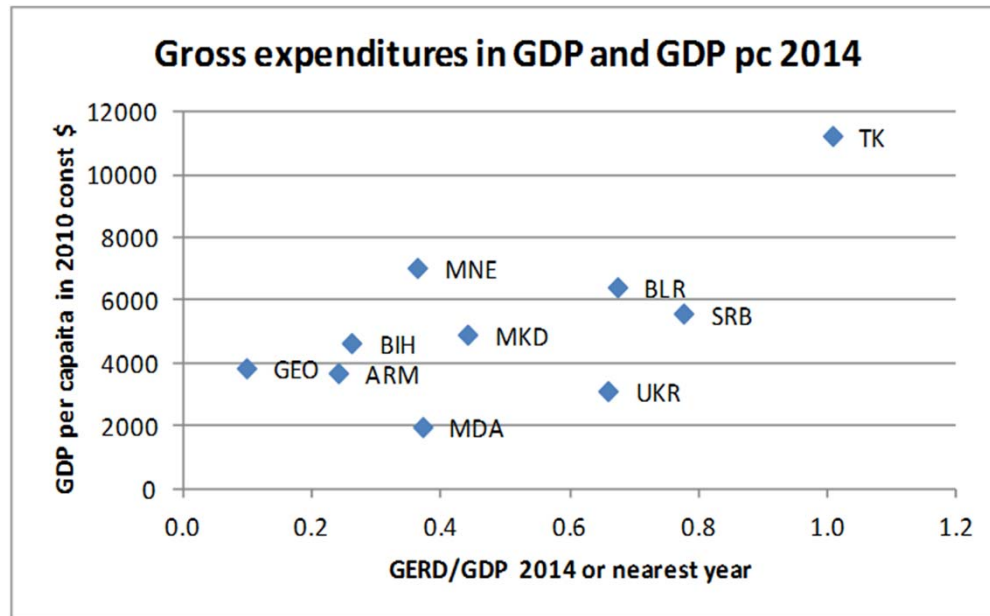
S3 beyond the EU... growing interest in...

- Norway and Switzerland (at national & regional level)
- Latin America (Chile, Brazil, Peru, Mexico), Australia & South Africa
- EU Candidate (Serbia, Turkey) and Neighbourhood countries (Tunisia, Moldova, Ukraine)...Other EaP countries?

S3 Support beyond EU – analysis & reinforcement of institutional capacity:

- JRC and the Commission's S3 support to Danube countries through active participation in S3 related projects (**FP7 Danube INCO.NET**) and through the JRC Enlargement & Integration Action (E&IA) activities.
- **JRC E&IA S3-support: Kick-off in 2016-17:**
 - Info days in target countries (**MD** 2/16; **UA** 9/16; **RS** 10/16)
 - Training seminar (7-9 Nov. 2016) & Immersion stay (10-11 Nov. 2016, Seville)
 - Possibly participation in EDP events of the lagging regions' project
 - In agreement with DG NEAR – selecting the front-runner E&N countries for which to set up the expert support (1 expert per country) during 2017.

A need for new policy approaches like S3 in the E&N



Source: World Bank development indicators database (2016)

4 Groups of E&N economies regarding the scale of R&D expenditures and developm. of R&I policies:

1) TR

2) BY, UA & RS

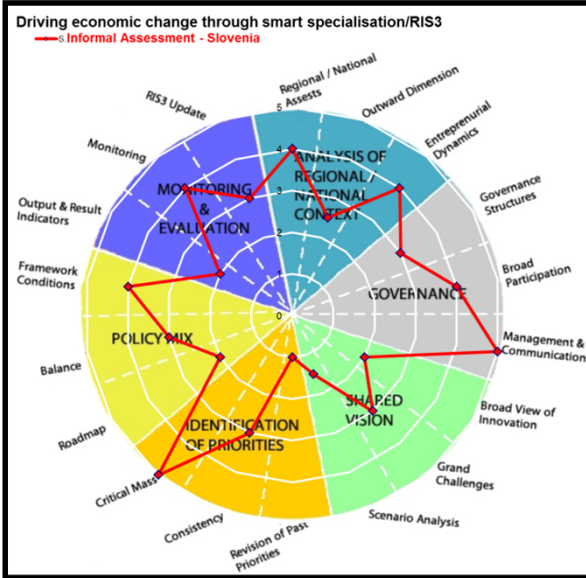
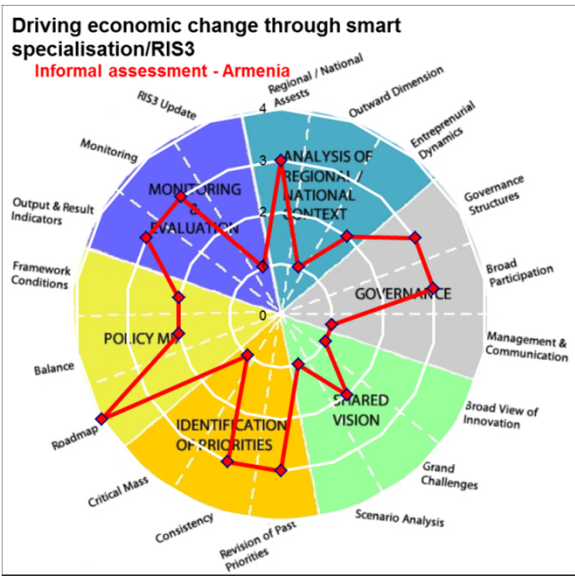
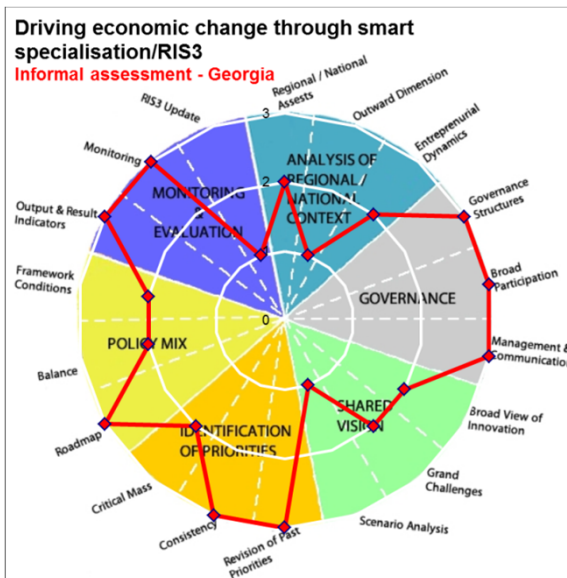
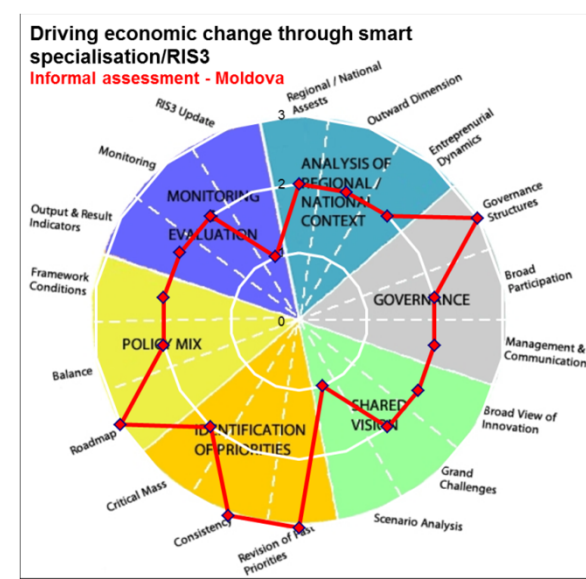
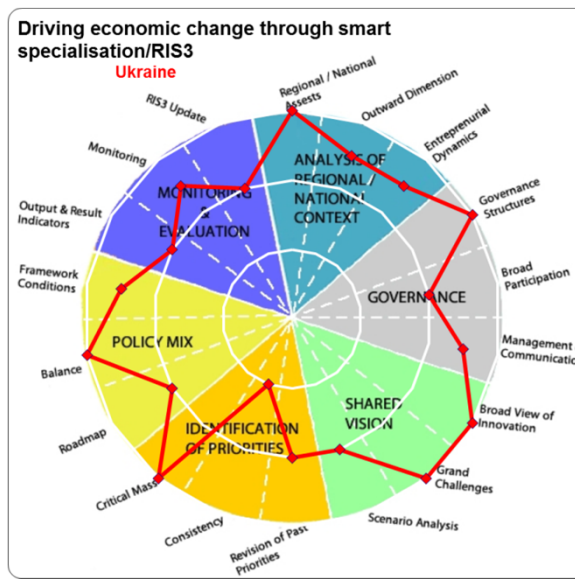
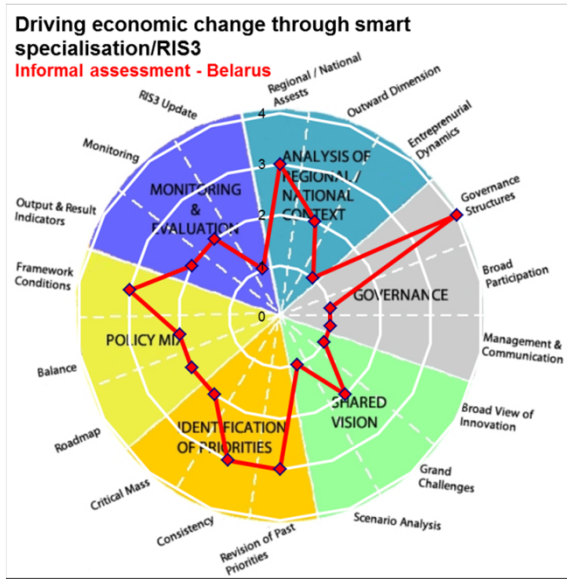
3) MD, GE, MK, ME & AM

4) BA & AL

Policy implications for the EU policy vis-a-vis the E&N economies:

- 1) E&N display huge differences in the R&D and innovation activities
 - **balance** between R&D/non-R&D supporting programs + diff. innovations;
- 2) **Broadening scope** needed to integrate R&I with FDI & support to VC;
- 3) Strong support needed for R&I **capacity building** measures;
- 4) Establishment of country specific **S3 Governance** mechanisms with capacities to engage in a coordinated dialogue with the private sector;
- 5) Challenge of **EDP** vis-a-vis the rigid admin.procedures;
- 6) **S3 policy mix** balancing horizontal / vertical policy instruments.

S3 in EaP countries – Preliminary analysis...



EaP countries: October 2016

Slovenia: April 2013

NOTE: The differences in the maximum values (max.=5)

Joint Research Centre Commission's in-house science service

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Thank you for your attention!



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